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SIPDIS

SENSITIVE
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STATE FOR PM/DTCC (BLUE LANTERN COORDINATOR/JSTITZIEL)
STATE ALSO FOR EUR/WE (TSMITH)
COMMERCE OEA
COMMERCE ALSO FOR USFCS/OIO (JBREIDENSTINE/PBUCHER)
USDOC FOR USFCS/MAC/EUR/OWE/ (DCALVERT)

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [NL](#)
SUBJECT: NETHERLANDS/BLUE LANTERN CHECK ON APPLICATION 610001190

REF: STATE 148187

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ACCORDINGLY.

¶1. (SBU) Emboffs met November 20 with F.W. Wichhart, Managing Director of Reomie, to conduct reftel pre-license check and related site visit for the re-transfer of armored vehicle parts from the Netherlands to Columbia. The license application covered:

- 23 Cooling System Kit parts used on M113A2 armored personnel carriers
- 23 External Fuel Tank parts used on M113A2 armored personnel carriers

¶2. (SBU) Wichhart said Reomie was founded in Osterbeek in 1944 to salvage jeeps and jeep parts from the battlefields of Operation Market Garden. The company later purchased surplus trucks from the U.S. and Dutch armies and converted them to civilian use. Reomie then expanded to large-lot purchases from Germany, Belgium, the Netherlands, and the U.S. -- including from the Defense Reutilization and Marketing Service, Wichhart noted. He added that Reomie had a large truck exporting business to the Philippines during the 1960's and 70's, selling a few thousand trucks for logging and sugar cane production until the peso devaluation made the company's products too expensive. Once much larger, Reomie now has 13 employees, roughly \$3 million in sales per year, and was established at its current address in Ooij about 40 years ago, Wichhart said. Reomie's core business is vintage military vehicle salvage focusing on M151 Willys jeeps and M35 2.5 ton "Deuce and a half" trucks. The company refurbishes but does not manufacture its parts.

¶3. (SBU) Post also submits the following answers in response to reftel request.

- According to Wichhart, the Cooling Systems Kits were obtained three to four years ago from Germany and the External Fuel Tanks obtained about two years ago from a dealer in Holland.

- The proposed transaction was initiated by Ken Everson, President of International Parts Supply Corp. Wichhart said Everson sought reftel parts from Reomie's listing in the ILS. According to Wichhart, ILS is an online system for inventory and sales. Wichhart confirmed that Everson had purchased parts from Reomie in the past.

-- Wichhart showed Emboffs boxes labeled as containing Cooling Systems Kits manufactured by FMC Corporation of San Jose, California. Post estimates that there were roughly 200 boxes stored in a large warehouse on the Reomie premises. The warehouse had regular doors and locks and the premises were surrounded by a 10 foot fence.

-- Wichhart noted that he obtained the authorization to export U.S. origin parts from Dutch Customs, adding that it was Reomie "standard practice" to do so for such parts and also those deemed by Dutch Customs to be "Strategic Goods," or goods requiring a Dutch export license. When asked about whether he obtained permission from the State Department, Wichhart reiterated that he had "proper export licenses to the U.S." and authorization from Dutch Customs, adding that Customs had found his export procedures "100 percent OK" in an audit finalized November 19. Wichhart did not refer to, or seem to recognize, U.S. export control regulations, and was also unaware that International Parts Supply Corp intended to ship the parts onward to Columbia and added that he "has no visibility or control over subsequent exports".

-- On record keeping, Wichhart said every item was entered into ILS. Based on its identifying information, ILS determined whether the good was strategic or not, flagging it accordingly for compliance with Dutch export control requirements.

-- Wichhart said reftel order would be filled from inventory. Emboffs were also shown a stock of at least six M113 engines.

-- Wichhart is the owner and decision-maker at Reomie. His wife is the other principal, serving as Director, book-keeper, and export control compliance officer. Wichhart noted that the business, and the time he would devote to it, was "winding down."

-- Wichhart noted the majority of his customers were World War II Jeep collectors located throughout Western and Central Europe. Wichhart said that had not acquired strategic goods for several years as surplus sources were rapidly diminishing.

14. (U) Emboff interactions with Wichhart were cordial and professional. Wichhart was extremely cooperative and receptive to Emboff queries, and offered to continue consultations if Post had further questions.

GALLAGHER